

Sheppard, Judith

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To: \* Toronto - Ont. Regional Office  
Subject: Learning/Planning Your Retirement/April 4th & 5th and April 6th & 7th/Last Call

## 5 SPACES AVAILABLE - REGISTER NOW

This Workshop will be held in the Trudeau Boardroom on the 24th Floor.

The sessions start at 9:00 a.m. sharp and are expected to finish around 4:30.

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## PLANNING YOUR RETIREMENT

April 4th & 5th, 2006 (1 space)  
April 6th & 7th, 2006 (4 spaces)

Instructor: Ingrid Hamilton

The ORO Learning Centre is pleased to present two two-day workshops on pre-retirement planning.

The purpose of the two-day workshop is to provide an overview of the key components of pre-retirement planning. At the end of the workshop, you will have the knowledge and tools to plan and prepare for your retirement years.

### Topics Covered:

**PENSION PLANNING:** Full coverage of pension benefits, Superannuation and Severance pay, Canada/Québec pension plans, Income security programs, Seniors benefit program, and Transfer value.

**WILLS & ESTATE:** Information on legal issues such as: preparation of wills, Powers of Attorney, estate planning and insurance.

**FINANCIAL PLANNING:** Budgeting for retirement, tax planning, investment planning.

**NUTRITION & HEALTH:** Physiological aspects of ageing, fitness in retirement, diet and nutrition.

Pre-retirement planning is encouraged for all employees who are within 10 years

of retirement. As seating is limited, priority will be given to those employees closest to retirement. Spouses are eligible to attend this training with the employee.

To register for this two-day workshop, please send an e-mail to Marion Wells, specifying the session you would like to attend:

- \* April 4th & 5th session, or
- \* April 6th & 7th session

indicating when you expect to retire from the DOJ and the name of your spouse, if attending.

Judi Sheppard  
Director of Learning

Sheppard, Judith

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if attending.

Judi Sheppard  
Director of Learning

## **Pre-Retirement Tips**

**If you have any more Retirement or Pre-retirement Tips, do let us know by emailing us at [fsnaotbr@cyberus.ca](mailto:fsnaotbr@cyberus.ca) - and putting Pre-Retirement Tips as the Subject Heading.**

**Looking Ahead  
Home Front  
Important Projects  
Reinvent Yourself  
Transition  
Financial Tips**

### **Looking Ahead**

1. Be sure you know what you are retiring to. Take the pre-retirement course sponsored by the Public Service Commission as early as you can and again within three years of your retirement date.
2. Plan ahead. Before you retire pay off the mortgage, pay off your debts, make major purchases, do major renovations or home repairs, have elective surgery using your accumulated sick leave, have dental work completed, develop a new hobby, plan for leisure activity apart from sleeping and watching television.
3. Do your retirement planning homework. Speak to your departmental HR officers about seminars and courses. Use your public library resources. Get help from financial planners, but try not to have to pay for it.
4. If you intend to travel, do it before you are 75, at which time insurance rates become too high. Who wants to be in their middle 70s, or older, and ill in a foreign land?
5. If you can arrange it, try to take a sabbatical or self-funded leave for a 3-6-9-12 month period three or four years before you think you want to retire. If you like this time off you may well be ready to retire.
6. When choosing the date that you are going to retire, choose a date that is one day off the end of the month in question. If, for example, you choose March 31st, your first day of retirement is April 1st and therefore your pension inflation index will only start one year later in the month FOLLOWING the month that you retire - in this case May. However, if you had retired on March 30th, your first day of retirement would have been on March 31st - therefore the pension indexing would then start as of April 1st in the year following.

7. For those entitled to receive the Public Service Management Insurance Plan (PSMIP) and who may be entitled to a retroactive salary increase approved after the date that you retired, please know that the amount of the PSMIP insurance is the salary that you were earning AT THE TIME OF YOUR RETIREMENT and does not take into consideration any retroactive increases. In other words, if you retired in May and there was a salary increase approved in June retroactive to April, your PSMIP coverage will be the salary that you were earning in May. However, if you had retired in July, the PSMIP would be adjusted retroactive to the April increase level. It is important to choose one's retirement date carefully.
8. Depending on your length of service and how close you are to retirement you should check with your personnel department to determine when it is most advantageous to retire – right now, finish the calendar year, wait until next year; should you use up unused leave or furlough, or ask for cash (and the tax implications of taking the cash); are there gaps in service that can be bought for a monthly sum in order to take advantage of a greater pension due to an increase in the length of service; can you be declared redundant and therefore get a buyout; confirm continuity of medical and dental insurance, and any other group insurance.

## Home Front

1. Be aware that you and your spouse may/will be together 24 hours a day. You both will need space and time apart.
2. If both you and your spouse drive, after retirement one spouse should not become the exclusive designated driver. Make sure that your spouse continues to drive to maintain that skill.
3. Keep fit. Join a fitness club or develop a daily physical fitness routine by getting out and taking a brisk walk every day. If the mall is within two kilometres from where you live, try walking instead of driving.
4. Give serious consideration to your existing living location and the size of your dwelling and lot. Will you be able to maintain it after retirement? If you foresee or contemplate a move in the future, the pre-retirement years are the time to make your basic decisions and carry out a move while you are still in good health.
5. Despite what you might hear, foreign countries are NOT Canada. Two or three months in a tropical paradise or elsewhere are fine, but make sure you have a home base.
6. It makes sense for spouses to retire at different times so that one works through it when the other works and then later helps the other one through it.

## Important Projects

1. Complete the FSNA *You and Your Survivors* workbook and keep it current. Do a current will and powers of attorney for financial, property, and personal care. Have a good family lawyer.
2. Go through all your papers, financial and otherwise, and clean out the old records. Make sure your spouse knows where everything is located and what is important
3. Get those photo albums organized. Make one for each of the children and give it to them. Dispose of really old photos which cannot be identified or have no particular meaning to the family or relatives.

## Reinvent Yourself

1. Retirement means leaving long-time colleagues. You may come to realize that the only thing you really had in common with them was work. Cultivate friends outside of your workplace by getting involved in your community, take up a new hobby, join an association like FSNA, volunteer.
2. Consider paying cash for everything. You may find that by the time you have saved the money for the item, you no longer need or want it. Resist the temptation to impulse buy.
3. Before your retirement, remember that retirement is likely to be for a long time; possibly longer than your working life. What do you want to do with the rest of your life? Plan for it. Be aware that plans change. Do not get upset or depressed by change. Enjoy the ride on your ship of life – a ship that you are steering.
4. Outside interests can take on a life of their own. Learn to say NO. You can easily become overcommitted with volunteer activities once people find out that you have skills, enthusiasm, and time. The extra time you thought you had soon disappears and retirement ceases to be fun.
5. Do not make a major lifestyle decision in the first twelve months of retirement, for example, moving accommodations. Perspective on everything changes during retirement, even on the neighbourhood. Take your time. Your wants or needs will change.
6. Retirement does not mean 'It's all over!' Retirement does mean a new beginning – for travel, for intellectual stimulation, for becoming computer literate, for re-organizing yourself, for getting creative, for exercise, for renewing the spirit and the soul.

## Transition

1. Retirement is a career change. Do not retire because you can, but do retire because you want to. Retire on your own terms when you are ready.
2. If you feel you must taper off or decompress slowly, try to arrange for contract work for a few months or a year. This allows a person to get up most days with a definite schedule and purpose and maintain a productive routine.
3. There is a wealth of information available for the soon to be retired. Visit your departmental library and your local public library, take courses offered by the Public Service Commission, get retiree information by becoming an FSNA Associate Member, and join the Canadian Association of Retired Persons. Retirement is a serious business. It is absolutely wonderful if it is planned thoroughly. Otherwise there are no guarantees, and the literature is quite clear about that.
4. Make a list of all the things you would like to do in your retirement. Look towards retirement in a positive way. Plan to treat yourself in that first year to something special, for instance, that cruise, or that trip to London or Paris or Australia.
5. When you retire make a clean break with the old workplace. Do not even have lunch with former colleagues unless they are really good friends. When talk turns to the office, take your leave. Office politics and some work situations never change.
6. Do not buy new business clothes during the last two years of your working career. Once you retire you will find that you wear more casual clothes.
7. With more time to enjoy leisure activities, one's accustomed standard of living can easily cost more after retirement. The trick is not to "cocoon" or withdraw to a sedentary lifestyle, but to develop a healthy active and enjoyable one within new financial circumstances.
8. Pay attention to time management. In a structured work situation we are usually provided with a framework that will tell us when and where to start and end the day. Retirees have no such framework, so it helps to invent one for yourself in order that you can fit in all the activities that you may be trying to do, such as recreation/exercise, studying/reading, hobbies, personal administration, family matters. It helps to have a day planner to keep track of your appointments and activities. Without such a framework you may find that your days pass in boredom or endless chaos.



## Financial Tips

1. For the most part, it does not cost as much to live when you are no longer working, especially if you no longer have major debts such as a mortgage or credit card debt. No longer paying superannuation, CPP, EI, and other work related expenses, and being in a lower gross income bracket usually means also being in a lower tax bracket, all translate into the change from a salary to a pension may not be as noticeable a drop in net take-home income as first thought.
2. If you have an RRSP, do not save it until you can no longer enjoy it. However do realise that RRSPs usually make their biggest gains in their final years. RRSPs can be RIFF'd at any time. Convert any RRSP funds to an RRIF and withdraw a reasonable amount each year and use it for vacations and leisure time activities that might make your retirement years more enjoyable. Remember also that early retirees can take the CPP (for a reduced amount) as early as age 60 and that additional income can offset or supplement withdrawals from an RRIF.
3. Be aware that the CPP is not an add-on after age 65. Your Public Service superannuation is reduced by an equivalent amount. Ideally, if one takes the CPP at age 60, it should be put away and not touched for the next five years and then used to augment the drop in pension as a result of the blending of the superannuation and the OAS at age 65.
4. Continue your paycheque deductions for Public Service Health Care Plan (PSHCP) and the Dental Plan. Regardless of the state of your health before or at retirement there are many age related ailments for which medical attention may be required.
5. Be aware that when you retire you may become eligible for reductions in house and automobile insurance premiums, certain additional income tax deductions, and for special prices on ordinary purchases at stores.
6. Retirement and money – If you wait until you have “enough” you will never retire. There is always something more you *want* but really very little you *need*. It is amazing how much it costs to go to work and what you can get along without when you are not working.
7. If you are 64 years and 6 months of age, apply for your Old Age Security pension now!
8. Take a long-term perspective on financial affairs in order to reduce stress and smooth out your life. If you know that you are going to have to replace the car in five years then think about where the money is going to come from and take early steps to achieve this. This way there is only some fine-tuning at the last moment. Saving 10 percent of your net income for later is still good advice. However,

remember that you no longer have to save for retirement because you are now there.

**Zator, Marion**

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**From:** Alcamo, Vittoria  
**Sent:** February 6, 2007 3:04 PM  
**To:** \* Toronto - Ont. Regional Office  
**Subject:** Learning / You & Your Pension Plan / February 27th / Miller Boardroom (34th floor)

## **YOU & YOUR PENSION PLAN**

**Tuesday, February 27<sup>th</sup>, 2007  
Miller Boardroom**

**9:00 a.m. – 12:00 p.m. // 1:00 p.m. – 4:00 p.m.**

Please join us for this seminar presented by the Superannuation Sector. This training is relevant to all employees, whether you have just started with the Public Service or you are contemplating your retirement. The earlier you know about the value of your pension, the more informed your financial planning.

The session will last 3 hours and will cover the following topics:

- How Your Pension Plan Works
- Retirement Benefits (including Web Estimates)
- Indexing
- CPP/QPP Integration
- Elective Service (including Web Estimates)
- Death Benefit Plan
- Survivors Benefits
- Pension Division Benefits

This session is designed to encourage questions from the participants thereby making the session interactive and relevant to your needs.

We are offering two sessions on the same day: the first one at 9:00 a.m. and the second session at 1:00 p.m. To register, please send an e-mail to **Marion Zator** specifying which session you would like to attend.

Vittoria Alcamo  
Programs' Administrator

**Bernardo, Princesita**

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**From:** Alcamo, Vittoria  
**Sent:** October 18, 2007 2:43 PM  
**To:** \* Toronto - Ont. Regional Office; \* Toronto - PPSC Ontario Regional Office  
**Subject:** Learning / Psyched for Retirement / October 31st, 2007 - 1:00 - 4:00 p.m. / Trudeau Boardroom (24th floor)

## **PSYCHED FOR RETIREMENT**

**October 31<sup>st</sup>, 2007  
1:00 - 4:00**

**Trudeau Boardroom (24<sup>th</sup> floor)**

**Speaker: Dr. Stuart Kamenetsky**

*We plan our careers, but we don't plan our retirement. And yet, retirement may last 20 or 30 years, longer for some people than their work years. We need to see retirement as a passage to new opportunity."* Dr. Phyllis Moen

Are you looking forward to retirement and do you dream of enjoying this new phase of your life to the fullest? Are you feeling apprehensive about this new phase of your life when you leave the labour market? Then now is the time to start cultivating your interest and taking up the hobbies you intend to pursue when you retire.

This new, half-day workshop will help you to visualize the next steps toward developing and implementing your retirement plan.

This workshop will focus on the following:

1. The need for meaningful and enriching activities to fill your leisure time;
2. The importance of work in your current life and positive aspects of letting go;
3. The gains and losses experienced over the course of this new phase;
4. The emergence of a new "self" (defining oneself other than by one's job);
5. A proactive attitude toward retirement and a new beginning;
6. Factors that facilitate the transition to retirement;
7. The importance of a support system, social life and family life;
8. How to manage this important period of transition in your life.

If you'd like to read more on the topic, the following two articles may be of interest :  
<http://www.psychologymatters.org/retirement.html>.

If you would like to register, please send an e-mail to Princesita Bernardo.

Vittoria Alcamo  
Programs' Administrator  
ORO Learning Centre

# Psychology of Retirement

**About the Presenter:**

Stuart Kamenetsky holds a B.A. in Psychology from the University of Toronto, an M.A. in Experimental Psychology from Wilfrid Laurier University, and a Ph.D. in Cognitive Psychology from Tel-Aviv University. He is currently a Senior Lecturer in the Department of Psychology at the University of Toronto at Mississauga where he also serves as the Director of the Undergraduate Program. He teaches courses in Child Development, Life-Span Development, Cross-Cultural Psychology, and Exceptionality in Human Learning. ©

## Introduction

### *What is the purpose of retirement?*

In Western countries people are expected to make social and economic contributions to society during their most productive years. We cannot do so during childhood as we have not yet developed the necessary abilities/skills. When we are old we are not expected to make such contributions because:

- We worked hard enough our entire lives and now its our turn to "have fun" and do the things we have always wanted to do.
- We cannot because we don't have the abilities anymore.

### WHY CAN'T THEY? - MYTHS AND FACTS:

*Notes from the book "Successful Aging"*  
*By John W. Rowe MD, Robert L. Kahn, PhD*  
*Copyrighted in 1998*

### **To Be Old Is To Be Sick**

We are seeing "a dramatic reduction in the prevalence of three precursors to chronic disease; high blood pressure, high cholesterol levels and smoking. We also, know that between 1982 and 1989, there were significant reductions in the prevalence of arthritis, arteriosclerosis (hardening of the arteries), dementia, hypertension, stroke and emphysema, as well as a dramatic decrease in the average number of diseases an older person has." What is important is a person's ability to remain independent:

Between 1982 and 1994 the proportion of the population over age 65 that reported any disability fell from 24.9 to 21.3 percent. (1.4 million fewer older people that are disabled). "The message is that we can have a dramatic impact on our success or failure in aging".

### **You Can't Teach An Old Dog New Tricks**

Research results are encouraging. Current estimates are:

- That no more than 10% of people 65 to 100 are Alzheimer's patients.
- 95% of older people live in the community at large, only 5% in nursing homes
- Older men and women can and do learn new things
- Some aspects of learning are more limited in age. This may be due to other factors that are present in youth, such as sharper vision and better hearing; reaction time is quicker and short term memory seems to be better.
- What it takes to learn changes with age, and older people must learn to work at their own pace, practice new skills, avoid competitive situations that favor youthful quickness.

## **The Elderly Don't Pull Their Own Weight**

The idea that older people are relatively unproductive in society is just plain wrong.

- The measures are wrong. It is important to recognize that we tend to omit unpaid productive work from our national accounting. Older men and women : one- third work for pay and one-third work as volunteers in churches, hospitals and other organizations.
- The playing field is not level. Older men and women are not given an equal chance for paid employment. Retirement age is set at 65. Social security not only helps protect against poverty, it also provides a system to make way for youth.
- They are ready, willing and able. Companies that have emphasized the recruitment and retention of older workers confirm that older employees meet or surpass expectations. They add insight and experience to the workforce.

## **Old Age Today**

How is today's older population changing?

- Efforts to combat ageism are making headway, thanks to the visibility of a growing number of active, healthy older adults.
- The proportion of older people in Canada and world populations is greater than ever before and is expected to continue to grow. People over 80 are the fastest-growing age group.
- Today, many older people are healthy, vigorous, and active. Although effects of primary aging may be beyond people's control, they often can avoid effects of secondary aging.
- Specialists in the study of aging sometimes refer to people between ages 65 and 74 as the young old, those over 75 as the old old, and those over 85 as the oldest old. However, these terms may be more useful when used to refer to functional age.
- Life expectancy has increased dramatically. The longer people live, the longer they are likely to live.
- In general, life expectancy is greater in developed countries than in developing countries, among white Americans than among African Americans, and among women as compared to men.
- Recent gains in life expectancy come largely from progress toward reducing death rates from diseases affecting older people. Further large improvements in life expectancy may depend on whether scientists can learn to modify basic processes of aging.

18 months to 3 years	Autonomy vs. Shame/Doubt	Toilet training	The child's energies are directed toward the development of physical skills, including walking, grasping, and rectal sphincter control. The child learns control but may develop shame and doubt if not handled well.
3 to 6 years	Initiative vs. Guilt	Independence	The child continues to become more assertive and to take more initiative, but may be too forceful, leading to guilt feelings.
6 to 12 years	Industry vs. Inferiority	School	The child must deal with demands to learn new skills or risk a sense of inferiority, failure and incompetence.
12 to 18 years	Identity vs. Role Confusion	Peer relationships	The teenager must achieve a sense of identity in occupation, sex roles, politics, and religion.
19 to 40 years	Intimacy vs. Isolation	Love relationships	The young adult must develop intimate relationships or suffer feelings of isolation.
40 to 65 years	Generativity vs. Stagnation	Parenting	Each adult must find some way to satisfy and support the next generation.
65 to death	Ego Integrity vs. Despair	Reflection on and acceptance of one's life	The culmination is a sense of oneself as one is and of feeling fulfilled.

### Levinson:

At the center of his theory is the life structure - the underlying pattern of an individual's life at any particular time. An individual's life structure is shaped by the social and physical environment. Many individuals' life structures primarily involve family and work, although other variables such as religion, race, and economic status are often important.

#### *Pre-adulthood (0-22)*

Childhood...

#### *Early adulthood (17-45)*

Men begin careers and families. After an evaluation of themselves at about age thirty, men settle down and work toward career advancement.

#### Tasks:

- Early Adult Transition (17-22)
- Entering the adult world (22-28)
- Age 30 transition (28-33)
- Settling down (33-40)



Other aspects, mainly the capacity of working memory and the ability to recall specific events or recently learned information, are often less efficient.

- Neurological changes, as well as declines in perceptual speed, may account for much of the decline in memory functioning in older adults. However, the brain can compensate for some age-related declines.
- According to studies of meta-memory, some older adults may overestimate their memory loss, perhaps because of stereotypes about aging.
- According to Baltes's studies, wisdom is not age-related, but people of all ages give wiser responses to problems affecting their own age group.

## SOCIAL/PERSONALITY/EMOTIONAL CHANGES:

*What happens to personality in old age?*

- Personality traits tend to remain stable in late adulthood, but cohort differences have been found.
- Emotionality tends to become more positive and less negative in old age, but personality traits can modify this pattern.

*How do personal relationships change in old age, and what is their effect on well-being?*

- Relationships are very important to older people, even though frequency of social contact declines in old age.
- According to social convoy theory, reductions or changes in social contact in late life do not impair well-being because a stable inner circle of social support is maintained. According to socio-emotional selectivity theory, older people prefer to spend time with people who enhance their emotional well-being.
- Social support is associated with good health, and isolation is a risk factor for mortality.
- The way multigenerational late-life families function often has cultural roots.

*What are the characteristics of long-term marriages in late life, and what impact do divorce, remarriage, and widowhood have at this time?*

- As life expectancy increases, so does the potential longevity of marriage. More men than women are married in late life. Marriages that last into late adulthood tend to be relatively satisfying.
- Divorce is relatively uncommon among older people, and most older adults who have been divorced are remarried. Divorce can be especially difficult for older people. Remarriages may be more relaxed in late life.
- Although a growing proportion of men are widowed, women tend to outlive their husbands and are less likely to marry again.

*How do unmarried older people and those in gay and lesbian relationships fare?*

- A small but increasing percentage of adults reach old age without marrying. Never-married adults are less likely to be lonely than divorced or widowed ones.

### *How "should" older people cope?*

- Develop an attitude of flexibility so that one may adapt to life's pressures and problems of old age.
- Recognize that one has to explore new ways of coping with life events.
- Greater use of information seeking and of problem solving strategies rather than withdrawing or isolating.
- Increasing self-confidence, self-reliance, developing healthy attitudes about one's strengths and weaknesses.
- Learning and maintaining effective coping skills and adopting an active approach towards the environment.
- Enlarge Social Networks
- Involvement in grandparenting

*Remember that throughout history societies that valued their elders and kept them involved shielded themselves from some of the difficult social problems our society is currently facing. Staying involved and relevant and making a productive contribution to society will keep everyone happier.*

## **Retirement Theory:**

Robert Atchley (1985) has proposed a model of retirement that includes six phases.

- Pre-retirement phase: In the years prior to retirement, we save our money, dream of things we want to do, and generally prepare for this change in life.
- Honeymoon phase: Characterized by enjoyment of one's free time. Now the retiree can paint the garage, garden, take a trip, and do everything he or she has wanted to do for years.
- Disenchantment phase: Retiree begins to feel depressed about life and the lack of things to do. After the traveling, cleaning, and doing the things most desired, the person gets tired and bored.
- Reorientation phase: Developing a more realistic attitude toward effective use of time. Here he or she reevaluates these activities and makes some decisions about what is most important. These priorities then set the stage for the next phase.
- Stability phase: New retirement routine is established and enjoyed. Perhaps volunteer work, visiting, or some other routine is developed that keeps the retiree happy and feeling important.
- Terminal phase (end of retirement) occurs when either:
  - Illness or disability prevents the retiree from actively caring for himself or herself.
  - Retirement is terminated due to employment. Because we are retiring earlier than we used to, many people are young and healthy enough to get another job, thus terminating retirement, at least temporarily.

- Individual and household factors associated with retirement expectations are widely shared by husbands and wives.
- Gender differences in retirement expectations may be related to the different identities men and woman have developed over the years:
  - Fundamental identity for men:
    - Family provider - success benchmarked to income.
    - Importance of the work role to men's identity increases with job status.
    - Men's retirement decisions are tied to indicators of success within the work career and the economic demands of their families – indeed men delay retirement if income will significantly drop and if there are dependent children in the household.
  - Fundamental identity for women:
    - Many women retiring in recent years have balanced work and family demands over much of their adult lives.
    - Many of them had interrupted careers and are caring for older family members.
    - Work attachment is not as crucial for their feeling of self worth as it is to men or women who's careers were not interrupted.
- While women can maintain their roles and maintain high self esteem, men must substitute their role as provider and career person with something meaningful.
- Couples must work together to maintain meaning and purpose in retirement through:
  - Mutual activities and interests.
  - Independent activities and interests (especially for men)
- Challenge is to maintain life-long sources of women's self worth with new sources of self worth for men.

## How to prepare?

- Set realistic but challenging goals
  - Be a futuristic planner
  - Do you really want a "worry free retirement"?
- Develop a game plan for success
  - Saving for retirement is a journey, not a destination
  - Stay in control, monitor and update your progress
- **Start off by knowing yourself and getting to know your spouse!**

## GUIDE FOR MEN

**Managing Retirement: The Surprising Opportunities and Challenges.** Howard Shank, 1985. Contemporary Books Inc.

This is a book written by a man for men who are planning to retire or who are already retired. It is easy to read, humorous, and contains many insights about the adjustment process.

## GUIDES FOR COUPLES

**For Better or For Worse but not for Lunch.** Sarah Yogev. 2002. Chicago, Contemporary Books.

This latest guide on the market for couples in mid-life contains a wealth of information and advice for couples as they move towards and into retirement.

**Loving Midlife Marriage.** Betty Polston and Susan Goland .1999. New York: John Wiley & Sons.

This book is a must read for couples approaching retirement. It deals in detail with the challenges facing couples as their children leave home and as they move into retirement. Despite somewhat traditional views about husbands and wives, this book hits many nails on the head.

**Healthy Together: A Couple's Guide to Midlife Wellness.** Christine Langlois. 2000. Toronto: McGraw-Hill Ryerson.

This Canadian book addresses the health issues facing midlife men and women but also takes it a step further. The author identifies how couples can work together to maximize the health of both.

## GUIDE FOR DEALING WITH GROWN CHILDREN

**Coping with Your Grown Children.** Edwin Klingelhofer. 1989.

First class guide full of advice about how to relate to adult children.

## GUIDES FOR DEALING WITH AGING PARENTS

**Caring for your Aging Parents.** Coles Notes. 2001. Toronto, Prospero Books.

This book has lots of great information, resources and advice for anyone who is going to or already has responsibility for aging parents.

**Mothers and Fathers: Health and Financial Advice to Share with Your Parents.**

Louis Sapi and Peter Zawadzki. Toronto: Prentice Hall Canada.

This is a great Canadian guide for baby boomers who find themselves taking on responsibility for aging parents. It provides strategies for dealing positively with the many health and financial issues that may require attention.

*Acknowledgement: This reading list has been put together by Sarah Bercier, M.A., an Ottawa Clinical Counsellor, and reprinted with permission.*





**Bernardo, Princesita**

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**From:** Alcamo, Vittoria  
**Sent:** March 11, 2008 3:06 PM  
**To:** \* Toronto - Ont. Regional Office; \* Toronto - PPSC Ontario Regional Office  
**Subject:** Learning / You & Your Pension Plan / March 19th / Trudeau Boardroom (34th floor)

## **YOU & YOUR PENSION PLAN**

**Wednesday, March 19th, 2008  
Trudeau Boardroom (24th floor)**

**9:00 a.m. – 12:00 p.m. // 1:00 p.m. – 4:00 p.m.**

Please join us for this seminar presented by the Superannuation Sector. This training is relevant to all employees, whether you have just started with the Public Service or you are contemplating your retirement. The earlier you know about the value of your pension, the more informed your financial planning.

The session will last 3 hours and will cover the following topics:

- How Your Pension Plan Works
- Retirement Benefits (including Web Estimates)
- Indexing
- CPP/QPP Integration
- Elective Service (including Web Estimates)
- Death Benefit Plan
- Survivors Benefits
- Pension Division Benefits

This session is designed to encourage questions from the participants thereby making the session interactive and relevant to your needs.

We are offering two sessions on the same day: the first one at 9:00 a.m. and the second session at 1:00 p.m. To register, please send an e-mail to **Princesita Bernardo** specifying which session you would like to attend.

Vittoria Alcamo  
Regional Administrator, Learning and Development

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# Public Service Pension Plan Retirement Planning Information Session

## You and Your Pension Plan



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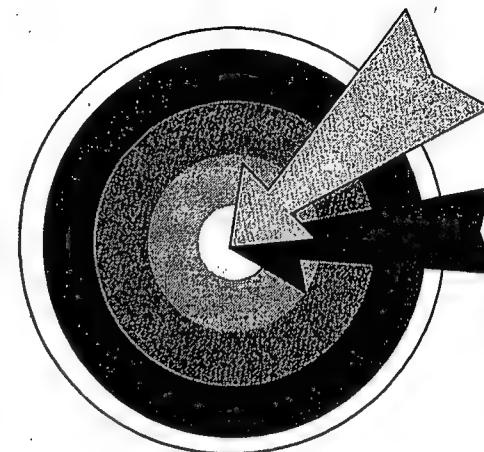
Canada



# Objective

" ...to help you understand  
the benefits of your  
Public Service Pension Plan"

**This handout is provided for information purposes only and does not constitute a legal document on your rights and obligations. Should there be any conflict between the information in this document and that contained in the *Public Service Superannuation Act* and Regulations, or other applicable laws, the Act and Regulations apply.**



2



# Today's Topics

- How your pension plan works
- Elective Service
- Supplementary Death Benefits
- Retirement Benefits
  - Indexing
  - CPP/QPP Integration
- Survivor Benefits
- Pension Division Benefits

3



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<http://pensionandbenefits.gc.ca/home-e.html>



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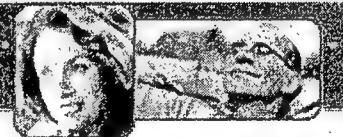
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Your PUBLIC SERVICE  
*Pension* AND *Benefits*



#### Announcements

- [Pension & Benefits](#)

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## Welcome!

Treasury Board of Canada Secretariat (TBS) and Public Works and Government Services Canada (PWGSC) present this Web site for both active and retired federal public service pension and benefits plan members. This Web site contains valuable information, tools and services regarding your Public Service Pension Plan (PSPP) and Group Benefits Plans.

To begin, please self-identify by choosing one of the options below:

[Active Member](#)

[Retired Member](#)

*new  
info!*

View improvements to the  
coordination with CPP/QPP benefits



[Increase Text Size](#)

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4



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# Pension Plan Contributions for 2008

- Contribution rate is 4.9%  
on salaries up to yearly  
CPP/QPP maximum of \$44,900
- Contribution rate is 8.4%  
on salaries above yearly  
CPP/QPP maximum of \$44,900



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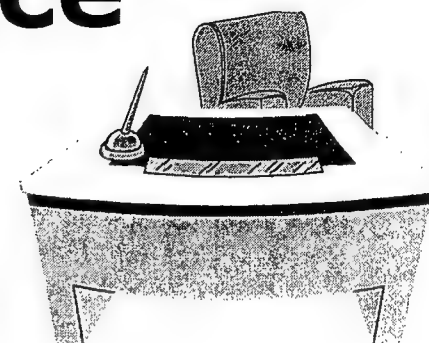
# Pensionable Service

- Current service
- Elective service
- Canadian Forces / RCMP service
- Pension Transfer Agreements



# Non-Pensionable Service

- Strike
- Suspension
- Unauthorized Leave Without Pay
- Seasonal Lay-off
- Authorized Leave Without Pay  
(not purchased)



R e s p e c t — I n t e g r i t y — E x c e l l e n c e — L e a d e r s h i p

# Elective Service

## What is Elective Service ?

Elective service is the ability to “buy-back” periods of previous employment.

8



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# Types of Elective Service

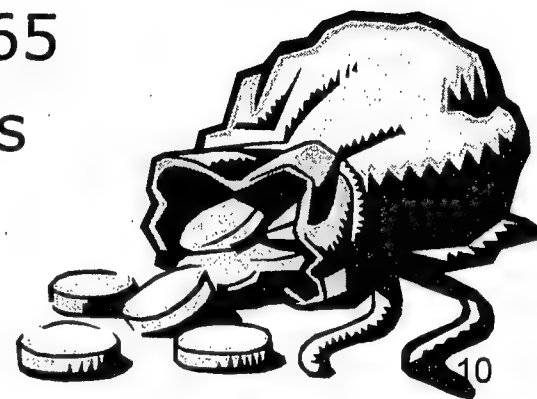
- Prior public service (PSSA)
  - Non-Contributory
  - Contributory
- Canadian Forces / RCMP service
  - Non-Contributory
  - Contributory
- Pensionable Employment (other employers)
  - Subject to pension plan





# Methods of Payment

- Lump sum payment  
and/or
- Monthly installments  
Payment period
  - under age 45 / up to age 65
  - age 45 and over / 20 years
- Debt cancelable by death



# Sample Public Service Election

Service: 1/1/1970 to 31/12/73 (4 years)

Born: 1945 (male)

Election Date	Salary	Lump Sum Cost	Monthly Cost	Repayment Period	Total Cost
Dec. 80	\$ 20,017	\$ 7,094	\$ 36.85	29 yrs	\$12,823
Dec. 90	\$ 32,128	\$15,115	\$ 99.81	20 yrs	\$23,954
Dec. 06	\$ 47,447	\$30,856	\$252.13	20 yrs	\$60,511

## Resultant Benefit:

$$0.02 \times 4 \text{ years} \times \$45,257 \div 12 = \$ 301.71$$

11



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**Compensation Sector  
Web Site**

**Who are you?**

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- Compensation Advisor
- Compensation Manager
- Public Service Line Manager
- Employment Opportunities

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**Have you signed up for pay and pension secure Web applications?**

If you haven't, select the Getting Started button now.

You only have to sign up once to gain access to the secure web applications.



**Note:**

Sign-up is currently restricted to Government of Canada employees who are participating in the release of these services.

**Already signed up?**

If you have already signed up, select a pay or pension secure Web application from the list below.

**Pay Services \***

- ➔ Statement of Earnings (Pay Stub)
- ➔ Gross to Net Regular Pay Estimate Calculator
- ➔ Voluntary Deductions

**Pension Services \***

**Basic Tools**

- Pension Calculator
- Service Buyback Estimator

**Personalized Tools**

- ➔ Employee Benefits Statement
- ➔ Pension Calculator
- ➔ Service Buyback Estimator

**Information**

- Retirement Package
- Service Buyback Package
- Pension Portability Package

**Important notice**

**2007-03-02**

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Look for the

Government of Canada

Cheque starting in

February 2007



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# The Election Process

- Estimate of cost
- Medical examination
- Legally binding agreement
- Made while employed as a contributor
- Income Tax implications



# Advantages of Elective Service

- More service.....more pension
- Service is fully credited before it is paid in full
- Life insured
- Earlier retirement
- Reach 35 years service more quickly
- Income tax deductibility



14



# Supplementary Death Benefit

Did you know that you have  
“life insurance” from your employer?

15



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# Supplementary Death Benefit

- Term life insurance
- Coverage: double your annual salary  
(to next multiple of \$1,000)
- Cost: 15¢ a month per \$1,000 of coverage
- Coverage of \$10,000 is free at age 65
- Reduced by 10% per year effective age 66
- Designation of beneficiary

16



# Naming a Beneficiary

## A beneficiary can be:

- Estate
- A person over age 18
- Charitable / benevolent / religious or educational institution

## Where no beneficiary is named:

- Estate
- Exception: a male employee, married and a participant prior to December 20, 1975

17





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# Retirement Benefits

## What are my options when I retire?



18



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# Retirement Benefits

Two types of retirement benefits:

- Lump Sum Payments
  - Return of Contribution
  - Transfer Value
- Monthly Payments
  - Immediate Annuity
  - Deferred Annuity
  - Annual Allowance



19



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# Lump Sum Benefit

## Return of Contributions

Only option available to those with less than 2 years of pensionable service (not vested).



20



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# Lump Sum Payment

## Transfer Value Payment

- Must be less than age 50 at termination
- Must have at least 2 years of service
- Actuarial value of accrued pension benefits
- Must be transferred to a locked-in RRSP or annuity

21



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# Lump Sum Payment

## Transfer Value Tax Considerations

- Amount within tax limit must be transferred to a locked-in RRSP or annuity.
- Amount in excess of the tax limit is paid to a contributor and taxed.
- Amount in excess of the tax limit paid to RRSP if you have available RRSP "room".



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## Transfer Value

If you leave the Public Service before you reach age 50, you may take your earned pension benefits as a transfer value rather than as a future monthly pension. A pension transfer value is a lump sum equal to the value of your future pension benefit (deferred pension). If you choose this option, you must do so within one year after leaving the Public Service.

**WITHIN TAX  
LIMITS**

**\$146,880.63**

**IN EXCESS OF  
TAX LIMITS**

**\$122,489.17**

**TOTAL**

**\$269,369.80**



(Version 2.0)




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# Monthly Benefits

What do these terms mean to you?

- Immediate Annuity
- Deferred Annuity
- Annual Allowance

	Government of Canada	Gouvernement du Canada	648- 7735669
Pay	Paye	<small>to be paid à payer le 10 mai 2001</small>	
Pay to	Payez à	10 MAY MAI 2001	
Your name here	DSS 3023 356664	\$ *****	
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24



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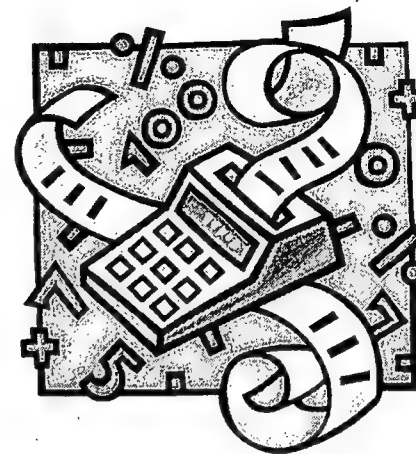
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# Retirement Benefits

How is my retirement benefit  
calculated?



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# Benefit Formula (Full-Time)

2% X Years and days of pensionable service X Average salary for 5 consecutive years of highest paid service

2% X 35 years X \$45,257 = \$ 31,679 per year  
or  
\$ 2,640 per month



# Benefit Formula (Part-Time)

2%	X	Years and days of pensionable service	X	Average salary for 5 consecutive years of highest paid service	X	Assigned <u>Work Week</u> Standard Work Week
----	---	---	---	---	---	---

2% X 5 years X \$45,257 X 20.0/37.5 = \$ 2,413 per year  
or  
\$ 201 per month



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## Benefit Formula (Full-Time and Part-Time)

### Full-Time Service

2% X 35 years X \$45,257 X 37.5/37.5 = \$ 31,679 annually  
\$ 2,640 monthly

### Full-Time and Part-time Service

2% X 30 years X \$45,257 X 37.5/37.5 = \$ 27,154 annually  
\$ 2,263 monthly

2% X 5 years X \$45,257 X 20.0/37.5 = \$ 2,413 annually  
\$ 201 monthly

Total = \$ 29,567 annually  
\$ 2,464 monthly

28



# Monthly Benefits

## Immediate Annuity – (unreduced benefit)

Age	Pensionable Service Years	Termination Reason
60 or over	At least 2	Retirement
55 or over	At least 30	Retirement
Any age	At least 2	Disability



# Monthly Benefit

## Immediate Annuity

- Payable upon termination
- Indexed from year of termination
- Supplementary Death Benefit coverage is automatic



# Monthly Benefits

## **Deferred Annuity** (paid in the future)

- Payable on 60<sup>th</sup> birthday
- Indexed from year of termination
- Annual allowance can be requested after age 50
- Immediate annuity possible in the event of permanent disability
- Supplementary Death Benefit coverage not automatic

31



# Monthly Benefit

## Annual Allowance (reduced benefit)

- Payable at the latest of : age 50  
: date of option or  
: date of termination
- Subject to reduction
- Immediate annuity possible in the event of permanent disability
- Supplementary Death Benefit coverage can be automatic

32



# Annual Allowance Reduction Formula

Formula 1

$$5\% \times (60 - \text{age})$$

Formula 2

$$5\% \times (55 - \text{age})$$

**Greater reduction of:**

or

$$5\% \times (30 - \text{service})$$

Under 50 years of age

**or**

Under 25 years of service

Formula 1

Over 50 years of age

**and**

25 or more years of service

**Smaller reduction of:**

or

Formula 1

Formula 2

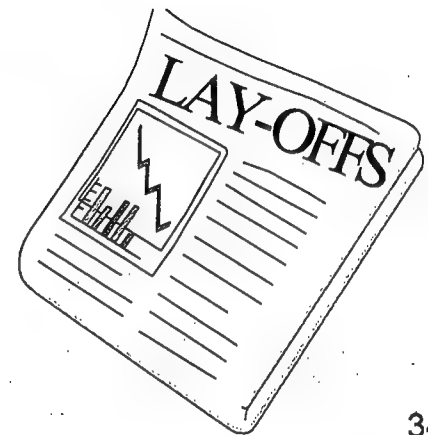
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# Waiver of Annual Allowance Reduction

- Involuntary termination
- Age 55 with 10 years employment in the Public Service
- Subject to Treasury Board approval
- Reduction for Annual Allowance may be waived



34



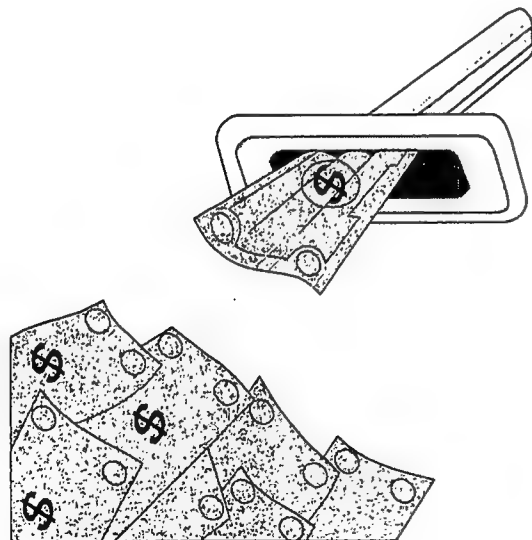
# Monthly Deductions

## Compulsory

- Income Tax
- Election payments
- Provincial Sales Tax

## Voluntary

- Death Benefit
- Canada Savings Bond
- Income Tax (extra)
- PSHCP/DENTAL



## Cease

- Superannuation contributions
- Disability Insurance
- DI and CPP/QPP
- Union dues
- Public Service Management Insurance Plan

35



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# Public Service Health Care Plan

## Individual Monthly Premium

Level 1	Level 2	Level 3
\$ 0.00	\$ 1.10	\$ 5.31
\$ 14.71	\$ 31.27	\$ 60.12

**Employee:**  
**Pensioner:**

## Family Monthly Premium

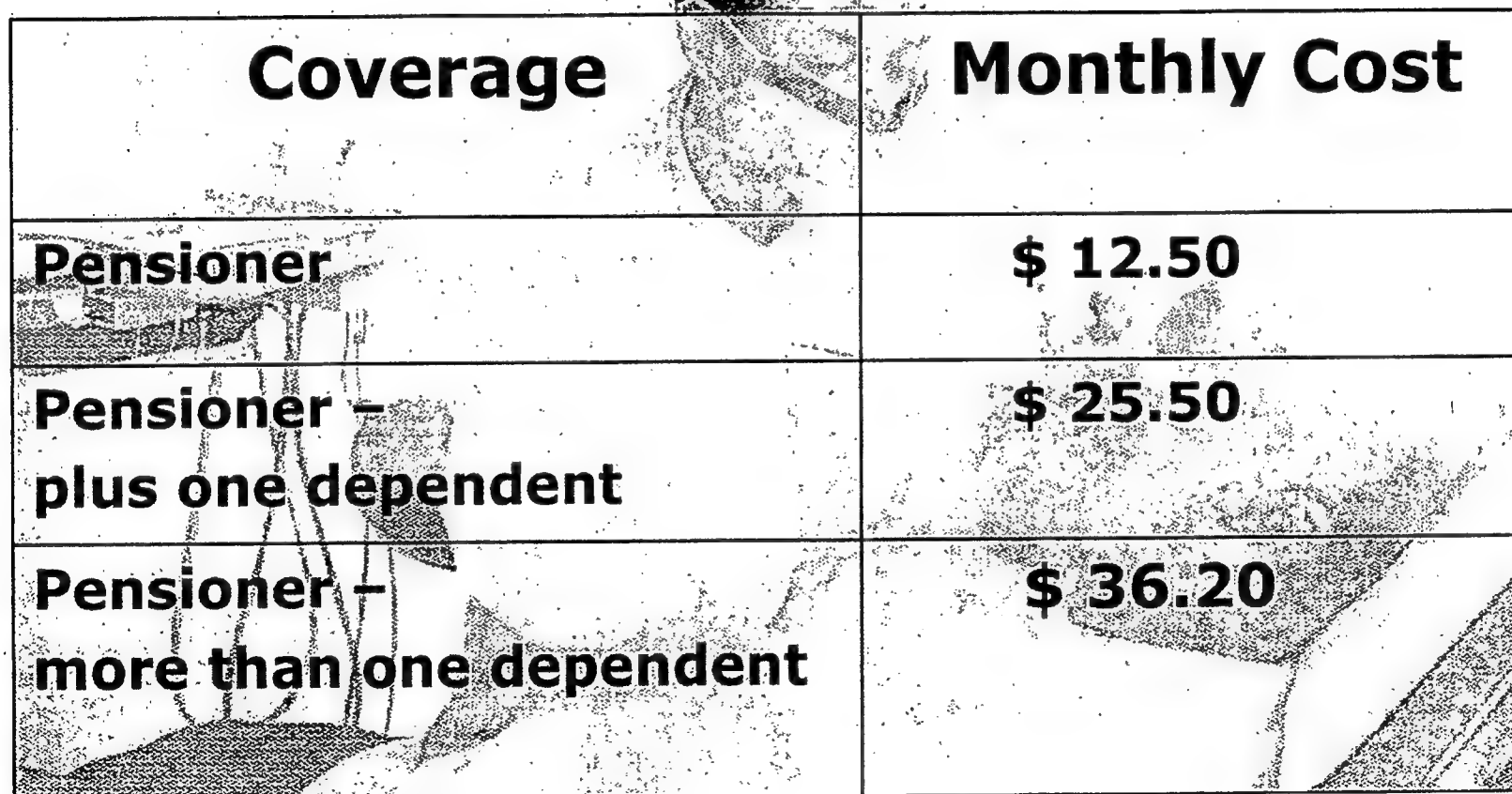
Level 1	Level 2	Level 3
\$ 0.00	\$ 3.53	\$ 10.34
\$ 29.80	\$ 46.36	\$ 75.21

**Employee:**  
**Pensioner:**



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# Pensioners' Dental Services Plan



Coverage	Monthly Cost
Pensioner	\$ 12.50
Pensioner – plus one dependent	\$ 25.50
Pensioner – more than one dependent	\$ 36.20

37



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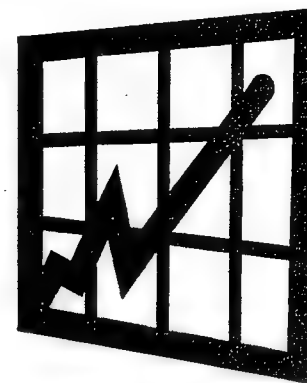
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# Indexing

Am I on a "fixed income" as a Public Service pensioner?



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# Indexing



- Annual cost of living increase
- Based on average of Consumer Price Index
- Increase is effective January 1
- First increase is pro-rated and based on month of termination

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## Month of Retirement                      Percentage of Indexing

<b>January</b>	<b>11/12</b>
<b>February</b>	<b>10/12</b>
<b>March</b>	<b>9/12</b>
<b>April</b>	<b>8/12</b>
<b>May</b>	<b>7/12</b>
<b>June</b>	<b>6/12</b>
<b>July</b>	<b>5/12</b>
<b>August</b>	<b>4/12</b>
<b>September</b>	<b>3/12</b>
<b>October</b>	<b>2/12</b>
<b>November</b>	<b>1/12</b>
<b>December</b>	<b>0/12</b>

41



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# Canada/Quebec Pension Plan Integration

How does the CPP/QPP integration  
affect my pension benefits?

42



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# CPP/QPP Integration

- Reduced Superannuation contributions while employed
- Reduced Superannuation benefits after age 65

**2008**

<b>SALARY</b>	<b>PSSA</b>	<b>CPP/QPP</b>	<b>TOTAL</b>
First \$3,500	4.9%	0.00%	4.90%
\$3,501 to \$44,900	4.9%	4.95%	9.85%
Over \$44,900	8.4%	0.00%	8.40%

43



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# CPP/QPP Reduction Formula

<b>Reduction</b>		<b>Years of pensionable</b>		<b>Lesser of the average</b>
<b>Factor</b>	<b>X</b>	<b>PSSA service since</b>	<b>X</b>	<b>salary or CPP/QPP</b>
		<b>January 1, 1966</b>		<b>average maximum</b>
				<b>pensionable earnings</b>

## Examples:

**0.00700 x 35 years x \$ 42,460.00 = \$ 10,402.70 / annually**  
**\$ 866.89 / monthly**

**0.00625 x 35 years x \$ 42,460.00 = \$ 9,288.13 / annually**  
**\$ 774.01 / monthly**

**0.00625 x 25 years x \$ 42,460.00 = \$ 6,634.38 / annually**  
**\$ 552.86 / monthly**

44



# CPP/QPP Reduction Factor

Year Member will reach age 65	Year of birth	Reduction Factor
2007 or earlier	1942 or earlier	.00700
2008	1943	.00685
2009	1944	.00670
2010	1945	.00655
2011	1946	.00640
2012 or later	1947 or later	.00625



# CPP/QPP Integration

- Reduction in benefits is effective:

First of the month following 65th birthday

**or**

Entitlement to CPP/QPP disability benefits

- Application must be made for CPP/QPP Benefits
- Early retirement benefits available with CPP/QPP



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## Effect of CPP/QPP Reduction on Indexing

<b>\$ 2 640.00</b>	Monthly pension
<b>x <u>21.74</u> %</b>	Indexing rate to date
<b>\$ 573.93</b>	Monthly increase
<b>\$ 2640.00 + \$ 573.93 = \$ 3213.93</b>	

<b>\$ 2,640.00</b>	Monthly pension
<b>- <u>774.01</u></b>	CPP/QPP Reduction
<b>\$ 1,865.99</b>	New monthly pension
<b>x <u>21.74</u> %</b>	Indexing rate
<b>\$ 405.66</b>	New monthly increase
<b>\$ 1865.99 + \$ 405.66 = <u>\$ 2271.65</u></b>	
<b>Impact of reduction      \$ 942.28</b>	

47



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# Survivor Benefits

What benefits are available for  
my survivors?



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# Survivor Benefits

- **Surviving Partner**

50% of employee's basic pension  
(1% x years/days of service x average salary)

- **Children**

10% of employee's basic pension to each child  
(maximum 40%)

- **Orphans**

20% of employee's basic pension to each  
child (maximum 80%)





# Survivor Entitlements

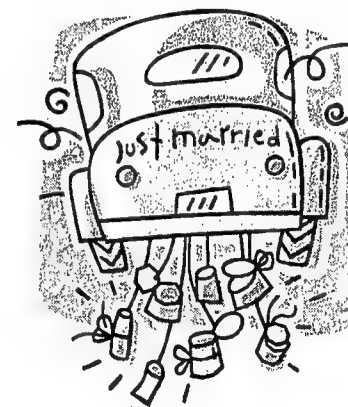
- **Divorced**  
Spouse is not entitled
- **Separated**  
Spouse is entitled
- **Common Law / Same Sex Partner**
  - Must provide proof that relationship started prior to retirement
  - Superannuation must approve documentation submitted

50



# Optional Survivor Benefits

- Marriage occurs after retirement
- Option to reduce your own pension to provide a benefit for your spouse
- Different levels of coverage available
- Original pension can be re-instated
- Estimate provided by Superannuation



51



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# Five Year Minimum Benefit

How and when is a minimum benefit paid?

52



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## Five year Minimum Benefit

- Issued when no further benefits payable to any survivors
- Minimum benefit payable is the greater of:

Return of Contributions plus interest

**or**

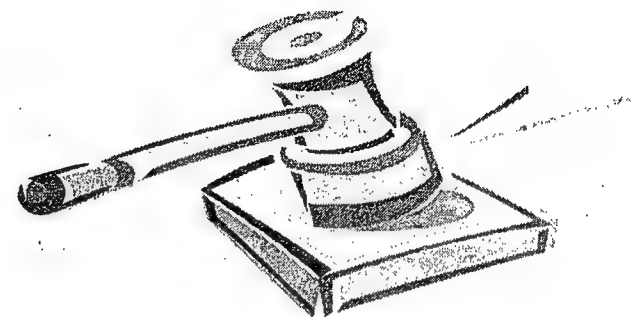
Five years of basic pension benefits  
(less any amount already paid)



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# ***Pension Benefits Division Act***

## Can my pension be divided?



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# Pension Division

Maximum benefit available to the ex-partner is 50% of the value of the member's pension

## Requirements:

- an agreement or court order must exist
- living apart for at least one year  
(when based on a separation agreement)
- normally cohabitation benefits only are available for division (court can order a different period)

55



# Pension Division continued...

## Requirements:

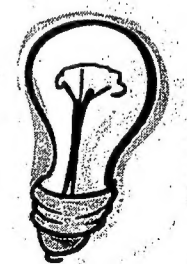
- Lump sum payment transferred to a locked-in registered retirement vehicle
- Member's pension is reduced accordingly
- Either party can request a division estimate
- Non-applicant partner has a 90-day objection period

For information contact Superannuation at  
1-800-883-1411.



## Ten important things to know about your Pension

1. It is a defined benefit plan; contributions and benefits are integrated with CPP/QPP,
2. You may purchase elective service to increase your years of pensionable employment,
3. \* The Supplementary Death Benefit is equal to twice the annual salary of the plan member; coverage decreases by 10% each year starting at age 66 to a minimum of \$10,000 by age 75.



57





## continued...

4. Pensions are calculated as follows:  
2% **X** number of years and days of pensionable service **X** average salary for 5 consecutive years of highest paid service,
5. An immediate annuity is payable at age 60 with at least two years of pensionable service or at age 55 with 30 years of pensionable service, or at any age for retirement due to permanent disability,
6. A deferred annuity may be payable at age 60,
7. An annual allowance, which is a reduced pension, may be payable as early as age 50,

58

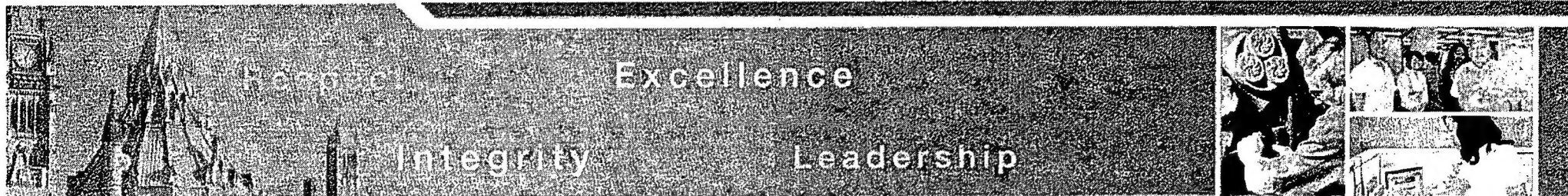


## continued...

8. Pensions are fully indexed annually to take into account increases in the cost of living since the termination date,
9. Survivor benefits are calculated as follows:  
1% **X** number of years and days of pensionable service **X** average salary of plan member,  
children's allowance is equal to one fifth of the survivor benefit,
- 10.\* Public Service Health Care and Dental plans are still available to pensioners and their survivors.

\* Not applicable to certain Crowns and Agencies





# Public Service Pension Plan Retirement Planning Information Session

## You and Your Pension Plan



Public Works and  
Government Services  
Canada

Travaux publics et  
Services gouvernementaux  
Canada

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